

# West Sussex Market Sustainability Plan 2023 - 2025

Home Care 18+

Residential & Nursing Care 65+



## Introduction

This Market Sustainability Plan is focused on two care markets in West Sussex:

- Care Homes for people over 65
- Home care (or domiciliary care) for people over 18

In theoretical terms, a “sustainable” market has a number of characteristics:

- A sufficient supply of services with diversity and choice for people who need to arrange care, as well as a sufficient workforce to deliver the care
- Providers entering as well as exiting the market with different types of providers operating - large and small providers, local as well as national organisations
- Innovation and diversity of services
- Operating in an efficient and effective way e.g. able to withstand the exit of its hardest to replace provider due to demand being absorbed by other providers.

(Cordis Bright, DHSC cost of care guidance)

Local authorities have a duty to promote the efficient and effective operation of the care market so that people can access services from a variety of providers with a variety of quality services to choose from. As part of this duty, authorities need to:

- Ensure the sustainability of the market
- Foster continuous improvement in the quality of services
- Help to develop a local workforce to ensure the delivery of high-quality services
- Ensure that sufficient services are available for meeting the needs for care and support of adults in its area and the needs for support of carers in its area.

The purpose of this plan is to explore the local issues that affect sustainability of the market for care homes and home care, look at the causes of any identified problems affecting sustainability and identify the opportunities to improve sustainability. Actions identified may be taken by West Sussex County Council (WSCC), West Sussex Partners in Care (WSPIC) and providers operating in the market.

The plan has been developed by WSCC in partnership with West Sussex Partners in Care. It was developed following extensive consultation with local providers between May 2022 and March 2023 including forums, workshops and analysis sessions. WSCC also managed a specific provider mailbox open to providers for comments & queries and issued a range of briefings to providers on market sustainability related issues. (For details see Appendix 3.)

While this plan is focused on two specific care markets, there are a range of *other* markets of equal importance to people living in West Sussex and WSCC including supported living, extra care and the many forms of outreach that support people to remain in their home. WSCC will focus on these markets in specific plans and strategies that will be developed in the near future.



## Contents

<b>Introduction</b> .....	2
<b>Contents</b> .....	3
<b>Section 1</b> Current sustainability of West Sussex markets.....	4
<b>Section 2</b> Assessment of the impact of future market changes ....	14
<b>Section 3</b> Plans for each market to address sustainability .....	16
<b>Summary</b> of Market Sustainability Plan actions .....	21
<b>Appendix 1</b> Data charts and tables .....	22
<b>Appendix 2</b> Delivery the Adult Social Care Strategy .....	28
<b>Appendix 3</b> Data Sources.....	30
<b>Appendix 4</b> Engagement with providers .....	31



## Section 1

# Current sustainability of West Sussex markets for 18+ home care & 65+ care homes

## 1.1 Issues and risks impacting on both markets

### Demographic pressures



West Sussex is a county in the Southeast of England, bordered by Hampshire, Surrey, Brighton & Hove, and East Sussex. The southern boundary is formed by the English Channel. The county is formed of seven districts and boroughs: Adur, Arun, Chichester, Crawley, Horsham, Mid Sussex, and Worthing. In 2021 the population of West Sussex was estimated to be circa 882,700.

### Age Structure

The percentage of the working age population has decreased over the last 10 years from over 61% to 57%. The county has a higher population aged 65+ than the national average. Over 65s represent over 23% of the population and this is expected to increase. (Chart 1 Appendix 1)

Older people are projected to compose 90% of the growth in the next five years, concentrated in Horsham, Chichester and Arun

- Total population growth for the 65+ category to 2026 is projected to be just under 10%. (Chart 4 Appendix 1)
- The largest growth is projected to be 75-79 years (+8,000 people) and 80-84 years (+7,000 people).
- The 85+ population will increase by 28%. (WSCC Local Account 2020/21)

### Rurality

There are high numbers of residents living in rural areas (particularly within Chichester and Horsham) in comparison to the more densely populated urban areas in other districts. (Chart 3 Appendix 1). Just under 24% (nearly 200,000 residents) of the population and 21% of businesses are located in rural areas, the majority living in small towns and villages. (WSCC population analysis report Nov 21)

### Age and location

Looking at the distribution of age across West Sussex (Chart 2, Appendix 1), the dominance of older people is noticeable in coastal communities. In several of these, older people comprise over 40% of the population and 56% in some areas.

There are also concentrations of older people in inland rural communities to similarly high levels. With some exceptions (such as Crawley), the age ranges 0-17 years and 18-64 generally show a more equal distribution across the county.

Rurality can present particular challenges for the care sector, in particular, meeting the care needs of an ageing population and ensuring that people in rural communities have sufficient access to care services. One of the key issues is the challenge rural areas pose to the logistics of service delivery which can exacerbate the existing recruitment and retention challenges providers are facing.

### Health and care needs

There are estimated to be over 200,000 people of all ages in West Sussex with two or more chronic conditions, with the largest prevalence in older people. (JSNA summary 2018)

With the benefits of longer lives comes the increased demand for care and support. For example, the increasing prevalence of dementia within the demand for WSCC support is clear. Our projections suggest that dementia related need could make up 25-40% of demand for long term local authority support by 2041.

The demands upon the care sector are therefore becoming greater in number and increasingly complex.

### **Care workforce challenges**

West Sussex independent care provider staff turnover rates are higher at 38.7% than the England average of 29%. The highest West Sussex turnover rates are registered nurses (72.5%), care workers across all independent care sectors combined (42.3%) and care workers specifically in nursing homes (53.4%). Growth in the local retail sector is also likely to have drawn staff from the care sector.

With staff costs representing 60-65% of total costs on average, providers identified the burden of increased recruitment costs and agency costs. With multiple causes for staff retention difficulties, including competition with the service sector and the often-negative perception of the care sector, there are also multiple impacts including the prime risk of not meeting the care needs of service users.

Learning and development of staff is a key challenge. The proportion of West Sussex care staff with a relevant adult social care qualification is lower than the national average (Skills for Care data 2022):

- WSCC care workers in non-residential with a relevant qualification 34% (England 40%)
- Care workers in nursing 39% (England 42%)
- Care workers in residential 45% (England 48%)

Providers identified that the ability to invest in training was reduced by the impact of substantially increased recruitment costs due to turnover while the challenges of covering shifts with a reduced workforce also reduced the opportunities for staff to be trained.

West Sussex has a higher-than-average use of zero hours contracts with Skills for Care data showing 57% of non-residential care workers on zero hours contracts. (Cf. 54% of jobs within England's homecare care workers and 24% of all staff in the independent care sector).

Reduced staffing levels and the consequent loss of experienced staff can lead to difficulties in delivery for providers, ultimately leading to providers being unable to continue to provide some people with care and giving notice to the council that arrangements need to cease. There has been four instances of multiple 'care packages' being returned to the council since December 21 with at least two caused by insufficient staffing. Instances affecting *individual* customers are far more frequent however, with significantly more individual packages of care having been handed back to WSCC over the last year amounting to several hundred weekly hours of care.

Providers told us about the dangers of increasingly 'burnt-out' staff working longer rotas, facing constant change and increased requirements. While the pandemic caused many challenges, providers reflected that care workers benefited from a temporary increase in recognition and morale which has since reduced.

Discussions with providers about workforce challenges often focused on the importance of tackling myths about the care sector and reducing the stigma attached to the care worker role by focusing on a more values-based approach.

### **Provider cost pressures**

Providers we spoke to during the development of this plan reported the severe impact of cost pressures across the board with the most significant including:

- Annual pressures of matching, or maintaining a suitable differential with, the National Living Wage
- Energy cost pressures with providers receiving quotes of 3-4 times the previous cost from energy suppliers. Rates were said to have significantly increased since the cost of care exercise and some care homes felt that the sector was not being adequately protected
- Cost of fuel for care workers, impacting further upon the difficulties of operating within the many rural areas of West Sussex
- The cost of accommodation for care workers which, in terms of the ability to attract staff to work in the care sector within West Sussex, is a significant factor in the current unsustainable level of vacancies and staff turnover
- High insurance costs
- VAT status which means that providers are unable to reclaim VAT related costs as expenses
- Some providers told us that costs related to non-contact time were not always adequately reflected in the council's hourly rate and this situation was worsening due to, for example, customers with more complex issues and pressures in the health and social care system which led to longer response times.

Several commissioned providers across both sectors requested WSCC to inform providers of annual fee uplifts earlier than has been the case in previous years in order to enable more advanced business and financial planning.

This is recognised as an issue although the council is limited in its ability to change this due to the timing of national funding allocations and subsequent local budget setting, with decisions not made until March for an implementation in April and information brought to providers as early as is possible.

Providers also asked WSCC to improve payment processes, primarily around the raising of purchase orders which could lead to delays in providers receiving payments. This will be explored as part of the actions related to this plan (see page 21).

### **Integrated working in the health and social care sector**

Providers we spoke to referred to the difficulties of working in an increasingly challenged health and social care system with pressures in one part of the system contributing to pressures in another. Comments included:

- The difficulties of engaging with pressurised parts of the system (including GPs) leading to more time being spent on phone calls and emails in order to liaise on customer issues
- The need to revise the approach to tackling delayed discharge
  - Some providers felt they could do more to help winter pressures but this would require higher payment rates than standard.
  - Responding to time-limited national funding could lead to a less coordinated response as a result of deadlines being too short, with a longer-term approach to tackling hospital discharge needed.
- The need for an integrated approach where home care and technology could be used to reduce costs and focus on areas where care staff are needed e.g. exploring use of sensors.
- 'Requires improvement' ratings from CQC were said to cause significant problems when improvements are made but follow up inspections are delayed, leading to out-of-date information shared with potential and existing customers.
- The need for a focus on giving support and mentoring – from other providers as well as the council – to providers who had received a 'Requires Improvement' rating.

### **WSCC Adult Social Care Strategy (2022-25)**

The strategy focuses on strength-based approaches to support independence, build community connections and help people to live in their own home. The direction of travel for council placements has therefore a reduced reliance on traditional forms of standard residential care and an increased use of community-based provision including increased use of extra care.

This direction of travel is already in evidence both in terms of absolute numbers as well as the proportion of commissioning activity:

- Since January 2020 the number of residential care placements has reduced from 30.9% of adult social care arrangements to 26.8% in August 2022.
- Similarly, the number of nursing placements has reduced from 19.2% to 15% over this period.
- The number of non-residential arrangements over this period has increased from around 40% to 49.6%.
- Chart 6 (Appendix 1) shows that this direction of travel is projected to continue.

Increasingly, future demand for care is planned to be met in community settings, although residential care will continue to play a significant role in council commissioning. WSCC will support the additional choice and diversity offered by helping the growth of the Personal Assistant (PA) market to support self-funders and people using direct payments. The care home sector will need a much stronger focus on enhancing the provision for complex care and dementia related care.

## 1.2 Care home market 65+

### **Shape of the local market**

West Sussex currently has 229 65+ care homes with around 8,000 beds. Reflecting national trends, the local market is dominated by small and medium sized local providers. (Chart 7, Appendix 1)

Only 20 providers operate more than one care home in West Sussex (28% of overall bed capacity) and only 6% of providers are part of the CQC oversight regime aimed at large, national organisations. With this context, an individual provider failure is unlikely to cause a significant impact to the overall market, although the ability of other providers in the market to take on additional capacity is critical and can be challenging to secure in the timescales available. This is not to underestimate the disruption and upheaval for care staff & customers, as well as emergency responses required from the council to ensure the continued safety of residents. Provider failures in some types of provision and in some geographic areas (e.g. nursing care in Crawley which is scarcer) will lead to greater impacts in terms of the market position.

The range of large & medium sized organisations have the *potential* infrastructure to take on additional work. However, smaller care home providers are very concerned that current economic conditions in which the market is operating will lead to a greater risk of multiple provider failures and a significant local impact upon customers of adult social care.

WSCC purchasing is spread across the whole market - 66% with local (predominantly smaller) providers, over 10% with regional providers and over 22% with national players (Table 1, Appendix 1). This balance reflects the shape of the market and helps to reduce the risk to service users of provider exit.

With ONS data suggesting that self-funding accounts for around 44% of the South-East care home market, local WS estimates suggest that this is likely to be in the region of 50%. Table 1 supports the existence of a very large self-funder presence with WSCC spend representing only 20% of the capacity of local, small providers (the largest proportion of WSCC spend).

### **Sufficiency of supply**

Overall, West Sussex has more residential and nursing beds than comparator authorities as seen below (weighted comparison from CQC West Sussex Older People's Pathway – March 20)



	Residential Beds	Nursing Beds
West Sussex	4950	5275
Comparators	4463	4205
England	4459	4250

Residential - 11% more than comparators

Nursing - 25% more than comparators

Supply is not equally spread across the county with greater provision in coastal areas and less in northern areas.

### **Provider failure & market withdrawal**

WSSC recorded 6 care home closures between October 21 – September 22 with reasons including finances & staffing challenges, CQC compliance related issues and business-related decisions. There has been growth in the market from medium/large providers; there are currently 6 new care homes under construction or with approved planning permission equating to potential growth of 355 beds. There have been 2 instances of care homes handing back customers to WSSC due to safeguarding concerns and a business decision to remove nursing registration.

### **Quality of provision**

75% of local care home provision is rated outstanding or good (Cf. 85% England). Locally, there is a higher proportion of nursing provision with CQC Requires Improvement or Inadequate ratings which is also higher than the England average). (See Table 2, Appendix 1)

While receiving an Inadequate rating can pose serious challenges to an individual provider in consideration of the care being provided to residents, the risk posed to the whole market by providers with a current CQC inadequate rating is fairly low. The proportion of local providers with at least one service in West Sussex with a CQC inadequate rating is 0.7%, 0% for regional providers and 0.3% for national providers. (See Table 1)

### **Current market gaps/challenges**

The local market demonstrates a strong focus on traditional forms of care e.g. residential care homes. Market sustainability may be improved with a greater focus on community provision to support independence and offer greater choice and diversity of approach e.g. supported living and extra care.

Alongside a potential over-supply of residential provision, there is an insufficient provision for more complex care that is accessible to WSSC including dementia provision with the residential sector and provision for dementia & complex needs within the nursing sector.

Providers report the reduced demand for residential care but strong demand for nursing dementia and frail elderly with increasingly complex placements from WSSC including the need for 1 to 1 support. The complexity of presenting needs offers challenges to both the local authority (in finding suitable local placements) and

providers (with increasing costs of care and the difficulty of recruiting and retaining staff with the required level of skill). Circumstances can force a greater use of agency staff with the consequent cost impact.

Offering prompt assessment and admission to support hospital discharge is an important need within the local system and WSCC are not consistently able to find providers who are able to offer this. Further discussions with the provider market are needed to explore ways of increasing availability of these services.

### **Cost of Care exercise**

The medians (at 22/23 prices) emerging from the cost of care exercise are significantly above the price currently paid by WSCC (27%+ in residential & 21%+ in nursing). If WSCC were to move *immediately* to this median **and** the median in the home care exercise, it would cost up to an additional £34m, clearly unaffordable within current resources. Providers will also face challenges in reducing the fees currently charged to self-funders. (For details & analysis see Annex B)

There are significant variations within this data however and respondents did not reflect the shape of the local market. There was a significant proportion of responses to the West Sussex cost of care exercise from large, corporate providers in both the residential and nursing sectors (82% and 73% response respectively), with only a 23% and 27% response from small group providers or independents which are the dominant players in the local market.

In setting rates for commissioned services, WSCC will be informed by the cost of care exercise as part of a broader spectrum including areas of the market in need of development or growth, assessment of local markets including specific market conditions operating in West Sussex and feedback from providers.

### **WSCC commissioning**

WSCC is in active partnership with the vast majority of care home providers, with commissioned placements in almost all care homes.

WSCC rates currently compare favourably with neighbouring authorities, reflecting the circumstances in West Sussex, supported by an April 22 uplift to 'usual maximum rates' by 10% for residential placements and 18% for nursing and specialist dementia care. Providers recognise the efforts of WSCC in raising rate, while remaining concerned that the impact of increased fee rates is being reduced by the rise in general costs and the cost impact of workforce pressures and pay rates.

#### **Key strategic risk for the market**

Lack of capacity within the local market (accessible to WSCC clients) linked to workforce, to support the growing prevalence of dementia and greater complexity of need; specifically access to residential dementia & nursing dementia with complex needs.

## 1.3 Home care market 18+

### **Shape of the local market**

At the time of the cost of care exercise, West Sussex had 145 home care providers, a significant number, with approximately 5,000 care workers employed, serving 6,500 customers (2021 provider survey).

There are a comparatively large number of home care providers operating in the county. Local provision is comparatively high. In 2018 the Personal Social Services Research Unit estimated that on average each local authority in England had around 60 home care agencies operating, 40% of total WS provision. Even with a sizeable population of older people, however, there is potential for the spread of providers to struggle to obtain a sustainable market share.

Approximately 65% of the local market is composed of smaller, local providers employing less than 50 staff. (Chart 8, Appendix 1)

Similar to the care home market, data suggests that self-funders are commissioning around 50% of the home care capacity.

With the market dominated by small & medium local providers, there is likely to be a flow of entrances and exits and some instability. But in terms of sustainability, while the breadth of local provision should ensure sufficient capacity to transfer work to other providers in the event of provider failure, this is significantly impacted by workforce pressures and capacity.

There are several national/regional medium sized providers with potential infrastructure to grow capacity. While this reduces the impact of individual provider failure on the market as a whole, the management of provider failure within this market remains extremely challenging, particularly where failure involves significant numbers of people. Capacity for growth will also be tempered by a provider's ability and willingness to operationally reach into other geographic areas as well as the ongoing difficulties of recruitment.

While individual provider failure may be less of a risk to the market as a whole, smaller home care providers are very concerned that current economic conditions in the market will lead to a greater risk of multiple provider failure.

WSCC spend (Table 3, Appendix 1) is spread across the market with the bulk focused on the dominant small/medium provider market. The current portfolio of spend reduces the risk posed by individual market exits.

There is no reliable data available to determine the precise proportion of the market purchased by WSCC and it is therefore difficult to draw conclusions about purchasing power. Assumptions are that WSCC is purchasing around 30% of the total local market but this will be higher for the medium & small local providers for whom WSCC is a more significant purchaser.

The risk posed to the market by providers with a CQC inadequate rating is low. The proportion of providers with at least one service (nationally) with a CQC inadequate rating is 0% for local and regional providers and only 0.3% for national providers.

### **Current market gaps and challenges**

The council's commissioning model for home care is relatively traditional in approach at the present time with a focus on payment for contact hours delivered rather than measurable outcomes, although pilots have been run in the past where the council and providers have explored alternative approaches to delivery. WSCC will be working with providers again during 2023 to re-commission home care services.

Despite having multiple providers in the county, WSCC does experience difficulties in accessing provision. Currently this is the case in Littlehampton, Worthing and Adur, although these locations are known to vary. There are also limitations to provision in rural areas due to a combination of factors including the challenges of additional travel time, with the high cost of housing reducing the ability to attract local staff. Other more urban areas of the county may have a significant supply of provision but face a demand from the local population which can outstrip availability.

These difficulties of finding accessible and available care in the county are compounded for people with complex needs. WSCC has found it increasingly difficult to find providers willing and able to accept and retain care packages of this nature. Providers reported a number of reasons for this including the impact of a very competitive market for care workers (with staff movement to competing providers and recruiting agencies), the difficulties of finding appropriately trained staff (particularly where 1 to 1 care is needed) and the higher, prohibitive costs of agency staff. The high turnover of staff means that experienced staff are harder to source, while the higher costs of recruitment have an impact on the resources available for ongoing staff development.

In our discussions with the market in developing this plan, some providers spoke about the importance of not using the HCA's minimum hourly rate as their benchmark as this was focused on paying minimum wage rates. Instead, providers felt it would be important to maintain a differential (suggested as £2-3) between the rate paid to care workers and the National Living Wage.

Providers also pointed to the HCA minimum rate being focused on a one-hour call rather than one of a shorter duration. Costs for a 30-minute call are not necessarily 50% less than for a one-hour call so providers asked for council commissioned rates for 30- and 45-min calls to be structured appropriately to reflect costs. WSCC acknowledges the challenges in costing for service provision to reflect service delivery. When care and support at home services have been tendered previously, providers have had the opportunity to submit rates to reflect their costs. WSCC has also introduced minimum rates to the main frameworks as part of uplifts in 2022/23 in order to support sustainability of services. The recommissioning of care and support at home services will also have due consideration of cost structures to support sustainability.

Our engagement with providers also included reference to the potential threats to the care sector caused by the 'unregulated' economy including self-employed people who provide care directly to individuals and who work cash in hand.

Paying for appropriate travel time and mileage was agreed to be critical in reducing workforce challenges. This issue will be explored as part of the development of the care and support at home specification.

### **Quality of provision**

WS home care provision achieves higher ratings than the England average with 90% of providers rated outstanding or good (Cf. 88% England) and 9% of providers requiring improvement (Cf. 14% England). (Table 4 Appendix 1)

### **Cost of Care Exercise**

The median emerging from the West Sussex cost of care exercise is £27.54 per hour (at a 22/23 price base) which is 11% higher than the average price paid currently by WSCC. If WSCC were to move immediately to this median **and** the median in the care home exercise it would cost up to an additional £34m which is clearly unaffordable within current resources. Providers will also face challenges in reducing the fees currently charged to self-funders. See Annex B for details and further analysis.

There are potential areas to explore further with providers including the reported costs associated with paying for care worker travel time and investment in learning and development which are lower than the levels recommended by the Home Care Association.

There are however significant variations within many of the cost lines submitted by providers. There are also challenges to the data due to the limited number of respondents. In agreeing uplifts for commissioned services, WSCC will be informed by the cost of care exercise as part of a much broader spectrum of information including areas of the market in need of development or growth, assessment of local markets including specific market conditions operating in West Sussex and feedback from providers.

### **WSCC commissioning**

Two procurement frameworks have been in operation since 2009 and 2015 that generate the vast majority of council commissioning with a third providing contingency. Fees paid within the two main frameworks increased by 8% on average. Average rates paid are in the region of £24 and above but rates can exceed £30 per hour, albeit rarely. Paid rates are relatively high when benchmarked against other local authorities, reflecting the circumstances in West Sussex.

#### **Key strategic risk for the market**

Reduced provision within rural areas, exacerbated by the existing workforce challenges

## Section 2

# Assessment of the impact of future market changes between now and October 2025.

### The cost of care

WSCC has been investing in local care markets to reduce cost pressures on local providers. More recently, with the objective of sustaining markets and mitigating market fragilities, the council approved significant inflationary increases from April 22 with an average uplift of 8%. Since WSCC spends around £300m on care purchased from the market, the impact of this was significant.

Although 100% of the £2.23m DHSC Market Sustainability and Fair Cost of Care Fund ('the Fund') for 22/23 was used to contribute towards the fee increases, this covered only a minority of the cost. Funding for the remainder required an input by WSCC in the region of £20m.

Due to the fragilities in the market, and the effect of inflation and the increase in the National Living Wage from 1st April, WSCC will follow the same approach in 2023/24. Again this will require a major reprioritisation of resources, towards which the growth in the Adult Social Care Market Sustainability and Improvement Funding will offer only a small contribution. The outcome is that the equivalent of an average increase of 9% will be payable. This will create an opportunity for uplifts to be targeted in line with WSCC's strategic commissioning priorities and to address market expectations created by the cost of care exercise rather than be paid on a flat-rate basis.

Across 2022/23 and 2023/24, WSCC has allocated sufficient funding to enable average growth in fees of 17%. However, much of this will have been consumed by the impact of inflation, so whilst WSCC pays for care at rates significantly in excess of most local authorities, the benefit for providers in real terms will have been limited. Equally important to emphasise is that increases at these levels on an on-going basis will not be sustainable. As such it follows that WSCC's available resources will not enable the council to meet the level of fees emerging from the cost of care exercise.

In 2023/24 prices covering the differential between WSCC average payable fees and the medians within the cost of care exercise would require an additional investment from central government into adult social care budgets of up to £40m. It is, of course, critical that any additional investment provided by the DHSC is both sufficient to enable this investment and also permanent and on-going rather than time limited.

The challenges posed to WSCC of moving towards these higher rates are matched by the challenge to providers of reducing the fees charged to self-funders so that a more affordable and sustainable set of rates can be established.

### Models of care

With a likely decline in the demand for traditional residential care, market sustainability may be improved by shifts towards care models which support independence and the ability for people to remain in their own home.

Market changes required by WSCC include a more outcome focused and enabling approach to home care, a stronger variety of community-based options, a wider availability of extra care and supported living and for residential care to focus more on provision for people with dementia, with the nursing sector focusing on supporting people with dementia and complex needs. WSCC will work with the market to improve the extent to which providers have access to clear and formally articulated information on needs and demand.

### **Care Reform (Post October 2025)**

With a significant majority of market capacity being purchased by self-funders, WSCC is anticipating a sizeable and challenging new demand for assessment, information and guidance when the care reforms are introduced. 3,970 additional Care Act assessments per year are projected, along with an additional 3,660 financial assessments. There will also be a requirement for information, support & guidance for self-funders so that the cap is fully understood including the definitions of eligible care.

Prior to the announcement of the 2-year delay in implementing the care reforms, WSCC estimated the financial impact to be an additional £29.7m in 2023/24, increasing year by year as the impacts of the reforms were felt. Additional resources of £739.5m were projected to be needed on a **cumulative** basic between 2023 and 2032 in order to meet the increased demand.

When implemented, this will pose the most sizeable of all the challenges facing WSCC as well as cost challenges for providers who may have previously charged an enhanced 'private' rate.

#### **Key strategic risk**

##### Between now and October 25

Based on the outcome of the cost of care exercise, it is clear that West Sussex requires additional, ongoing investment from central government which is sufficient to enable market rates to be paid on a sustainable basis.

##### Post October 25

The impact of care reform is projected to deliver a currently unsustainable wave of demand within WS due to the pressure upon local authority budgets and the local care workforce.

## Section 3

### Plans for each market to address sustainability issues

#### 3.1. Fair cost of care funding from DHSC

WSSC used 100% of the 22/23 DHSC market sustainability funding to increase fees to local care providers, together with a substantial investment from council resources.

Without significant additional and ongoing resources from central government, however, there would be a major risk to the market of using resources to meet unsustainable sector-wide rates. Additional financial support from central government will be needed to enable most local authorities to match rates emerging from their local cost of care exercise as well as ensuring that this support is available permanently.

WSSC's strategy will be to continue to invest in care markets as far as resources allow, with a particular focus on supporting providers with pressures caused by inflation and national living wage increases. This will be combined with a targeted approach that will focus on areas of strategic importance and in need of development as well as areas of the market presenting sustainability risks.

In line with the Council Plan, the ASC strategy and business plan and our commissioning intentions, available resources will be targeted at areas requiring development including

- supporting the capacity of providers to cater for people with dementia and more complex care
- supporting the growth of extra care & supported living
- support to people to remain in community settings
- initiatives which assist in addressing workforce challenges and
- providing infrastructure support to the council's future work with the market.

#### 3.2. Delivering the Adult Social Care Strategy (2022-25)

The county council spends approximately 34% of its net budget on adult and health services (2023/24 figure). WSSC, like other councils across the country, is facing a worsening financial challenge. It is therefore critical that we make the best use of the resources to achieve our ambitions. This means that we need to focus on delivering services differently to prevent, delay and reduce needs for escalating; as well as delivering and commissioning services which people need in the most cost-effective way.

Councils across the country are exploring ways that they can continue to improve access and support. A key focus is putting people at the forefront of decisions around care, with a drive towards person-centred care and strengths-based practice. This involves working to promote inclusion and understanding of diversity, so that everyone has equal access to care, as well as moving towards integrating health and social care. We are looking at how to use resources in the most effective way including how assisted technology can help achieve outcomes.



This is underpinned by an understanding that communities have their own strengths and capacity and a drive to prevent, reduce and delay needs from arising, building an evidence base of what works, and learning from each other how preventative services can be scaled quickly. Councils directly provide and commission services, but they also have other roles such as encouraging, facilitating, and convening partners to come together, all of which is being used to help improve the lives of people who access support.

This is against a backdrop of significant funding challenges. More people need support and costs are going up. National government funding is unlikely to be sufficient to bridge the gap between demand and money available. Therefore, we will have to do things differently to ensure we are making the best use of resources.

The priorities in our Adult Social Care Strategy, 'The Life you want to Lead', set the foundations for decision making for adult social care within the county council until 2025. It acts as a guide for prioritising areas for improvement and how we spend money. It aligns with other strategies such as the Carers Strategy and programmes, such as the Changing Futures Programme, and will inform future iterations of joint health and social care priorities in West Sussex. (See Appendix 2)

Overall, the strategy focuses on strength-based approaches to support independence, build community connections and help people to live in their own home. The direction of travel for council placements in the home care and care home markets encompasses:

- A reduced reliance on traditional forms of standard residential care
- An increased use of community-based provision including extra care and supported living.

WSSC will support the additional choice and diversity offered by helping the growth of the PA market to support self-funders and people using direct payments. WSSC will also work with the care home sector to develop a much stronger focus on enhancing the provision for complex care and dementia related care. As part of the continuing evolution of our overall approach to commissioning and working with providers, we will work with the provider market to develop a set of commissioning principles and values which underpin our work across all sectors of adult social care.

### 3.3. Actions impacting on both markets

#### **WSSC/WSPIC joint review of current & future methods of supporting providers with recruitment**

- Review existing initiatives to explore successes achieved, whether a change of approach is required in order to increase impact or avoid duplicated efforts & learn from successes in other authorities. Approach and scope to be agreed including
  - WSSC's Proud To Care (supporting care worker recruitment)
  - WSPIC's Recruitment Hub (one-stop shop for providers with links to schools and colleges)
  - Developing the range of opportunities to enable people to experience care provision before entering the sector e.g. shadow shifts

- Work in partnership with the Integrated Care Board (NHS) where workforce issues has already been identified as a priority

### **WSCC/WSPIC joint promotion of the benefits of working in the care sector**

- Promote the benefits of working in the care sector including promoting the best practice from West Sussex care providers (developed in partnership with providers) e.g. paying appropriate travel time and mileage costs, flexibility of hours and contract options, staff benefits etc
- Develop marketing and promotional work with schools, colleges, recruitment agencies and Job Centre Plus

### **WSCC/WSPIC joint review of current & future methods of supporting learning and development within the sector**

- Review existing initiatives to explore successes achieved to date, whether any change of approach is required in order to increase impact, avoid duplicated efforts & learn from success made in other authorities. Approach and scope to be agreed including:
  - WSCC's Care Provider Learning and Development Pathway (which enables providers to have free access to a range of training opportunities for care staff. 290 independent care workers accessed courses April – Aug 22 and a further 1270 accessing e-learning modules)
  - WSPIC's Training Hub, career development for registered managers, Care Accolades (focused on examples of excellence in the local care workforce) and the Outstanding Society (promoting good practice from acknowledged providers)
  - Explore links with Skills East regarding the existing work across Sussex.
  - Explore new initiatives including:
    - 'On boarding' training offer for new provider staff
    - Methods of attracting staff to undertake qualifications with providers
    - Develop community of practice groups for mentoring and support
    - Develop career pathways

### **WSCC commissioning support to the sector**

- Develop a new Quality Assurance and Market Support team to work with the independent care sector across of the care markets in West Sussex (combining the resources of the previous Proud To Care and Care & Business Support Team)
- Support providers with business planning Share by WSCC sharing strategic information with the care sector including market demographics, customer info and commissioning intentions
- Review the approach to assessing the quality of commissioned providers in both sectors including performance information required from commissioned providers and ways in which providers with a Requires Improvement CQC rating can receive support

### **Review WSCC operational aspects of the care process to ensure:**

- The provision of customer information to commissioned providers sufficiently identifies complex needs (as part of a strength-based assessment)
- The turnaround time for providers to accept a placement or package of care is manageable from both a WSCC and provider perspective and meets customer needs

### 3.4. Actions relating to the 65+ care homes market

#### **Review the WSCC commissioning approach to residential and nursing care placements including exploring issues raised by providers:**

- Develop stronger partnerships with providers in order to meet the demand for WSCC placements and increase the ability of providers to offer placements for people with complex needs and dementia
- Support providers to provide a flexible service based on personal needs that may require varying levels of care e.g. provision within residential care where service user needs increase due to dementia
- Explore opportunities for local care homes to find sustainable business opportunities
- Support care homes to have greater links with services in the community (e.g. dementia support services) to provide a more supportive environment for residents
- Engage with strategic planning functions in Districts to align planning priorities with guidance on care home and extra care development within the ASC Strategy

### 3.5. Actions relating to the 18+ home care market

#### **Review the WSCC approach to the home care sector (as part of the recommissioning of the Care and Support at Home Framework) including exploring issues raised by providers:**

- Explore methods of developing and incentivising market growth including:
  - Attracting providers to develop growth in key areas (such as rural parts of the county) by, for example, developing partnering relationships between key providers and council brokers
  - Increase the ability of providers to offer care for people with complex needs
- Explore the provision of greater flexibility so that contact hours as well as additional costs incurred in supporting customers are reflected in provider fees (e.g. customers with complex & varying needs or supporting customers with an emergency)
- Review payment arrangements with providers when customers have short stay hospital periods
- Review the use of equipment to assist with support to individuals

### 3.6. Exploring Individual Service Funds

During the development of the WSCC adult social care strategy, people expressed an interest in being able to be more creative with their personal budgets, such as pooling personal budgets to benefit from economies of scale. Other local authorities are exploring Individual Service Funds, where a person can choose an organisation to manage their personal budget and help to develop a support plan to meet their eligible needs.

Similarly, during our discussions in developing this Plan, providers told us they wanted greater flexibility in meeting the needs of customers, particularly those with complex and varying needs.

We therefore plan to explore the feasibility of using Individual Service Funds as an option for service users alongside council managed budgets and direct payments.

### 3.7. Developing the market for personal assistants for people with direct payments

People want to access opportunities in their communities with freedom to explore different ways of meeting their eligible needs. Some people may need some initial help to develop the skills and confidence to take up these opportunities. Some people may need ongoing support. Either way, we need to think creatively about the choices people have for their care and support.

Personal Assistants (PAs) are an important option for people to be able to access. While PAs are currently operating across the county and delivering services in a private capacity or via a direct payment, the market is under-developed and needs to be supported and stimulated to grow to increase choice for customers.

As part of the delivery of our adult social care strategy, we want to support PAs working in the county to be suitably experienced, trained and able to provide eligible customers with safe, sustainable and flexible services. We will explore the feasibility of helping to shape the market, support and train PAs and further improve their accessibility to people and their families who want to purchase support from them.

### 3.8 Looking forward

The development of this Plan has been the result of a very positive and constructive partnership with WSPIC.

In addition, providers working in West Sussex gave up their time to tell us about their experience of delivering care in the county. Many made significant efforts to provide their cost data. These efforts have been invaluable, are much appreciated by WSCC and have been essential in shaping this Plan.

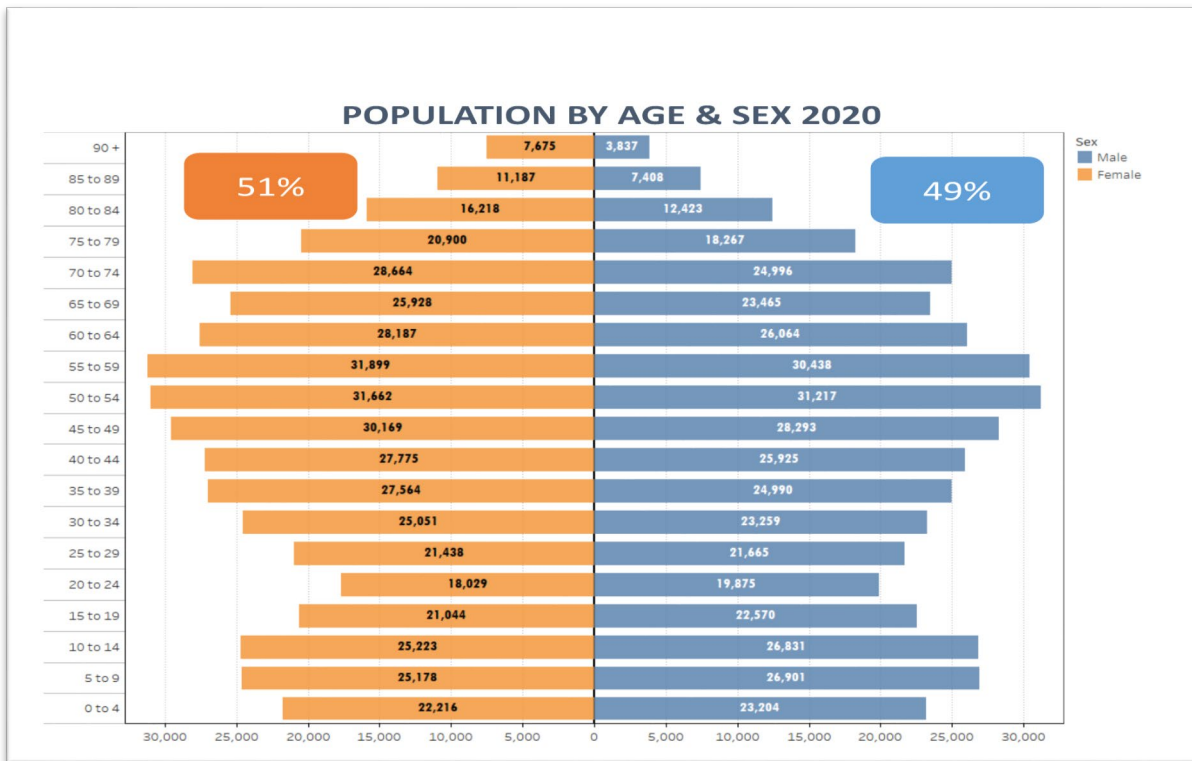
The next page summarises the actions the council and provider partners will take over the next two years to address the issues that have been highlighted in this Plan.

## Summary of Market Sustainability Plan Actions

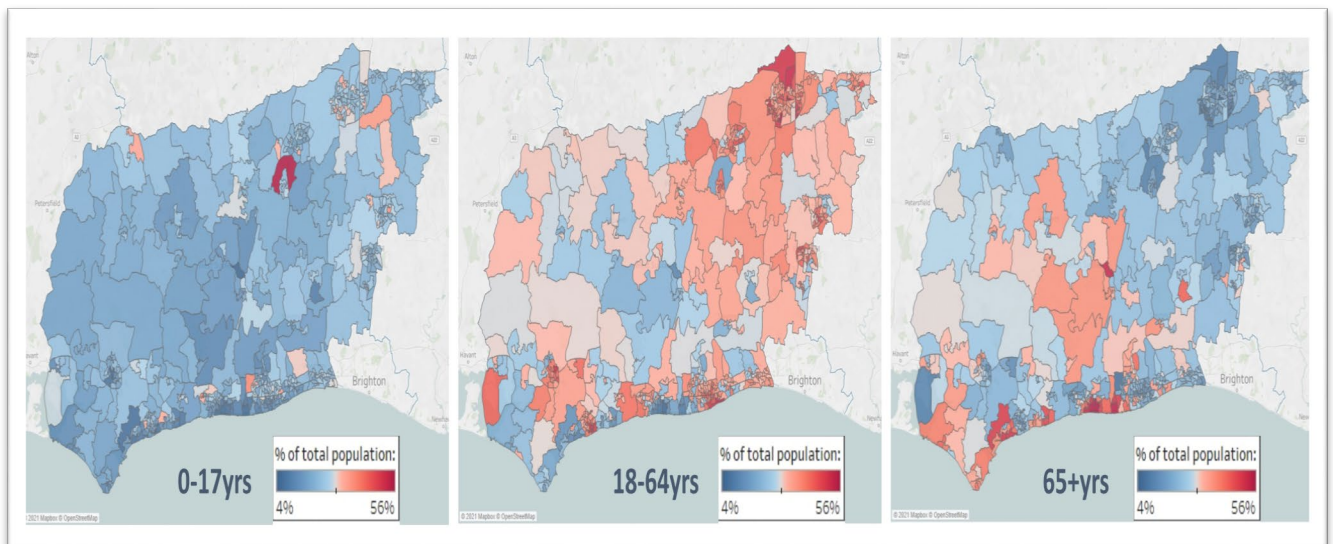
Area of focus	Action	Who	When
<b>Use of Fair Cost of Care Funding</b>	Additional, time-limited, resources from the DHSC will be targeted at areas needing investment including: supporting the capacity of providers to cater for people with dementia and more complex care supporting the growth of extra care & supported living in order to enable people to remain in community settings initiatives which assist in addressing workforce challenges providing infrastructure support to the council's future work with the market.	WSCC	23/24
<b>Addressing workforce challenges</b>	Review of current and future methods of supporting providers with recruitment and retention	WSCC/ WSPIC	23/24
	Promoting the benefits of working in the West Sussex care sector	WSCC/ WSPIC	23/24
	Review of current and future methods of supporting learning and development within the sector	WSCC/ WSPIC	23/24
<b>Care Home Sector</b>	Review the WSCC commissioning approach to residential and nursing care placements	WSCC	24/25
<b>Home Care Sector</b>	Review the WSCC commissioning approach to the home care sector, as part of the recommissioning of the Care and Support at Home Framework	WSCC	23/24
<b>Commissioning care services</b>	Review the provision of customer information to commissioned providers	WSCC	23/24
<b>Individual Service Funds</b>	Explore the feasibility of developing Individual Service Funds	WSCC	23/24
<b>Personal Assistants</b>	Explore the feasibility of developing the market of Personal Assistants	WSCC	23/24
<b>Market Development</b>	Share WSCC strategic information with the care sector including market demographics, WSCC customer info and commissioning intentions	WSCC	23/24
<b>WSCC payments to providers</b>	Explore ways of improving the WSCC payment process to improve turnaround for providers	WSCC	23/24
<b>Self-funder research</b>	Research (in partnership) the likely future purchasing intentions of self-funders in West Sussex	WSCC/ WSPIC	24/25
<b>Strategic planning</b>	Engage with strategic planning functions in Districts to align planning priorities with guidance on care home and extra care development within the ASC Strategy	WSCC	23/24

# Appendix 1 – Data charts and tables

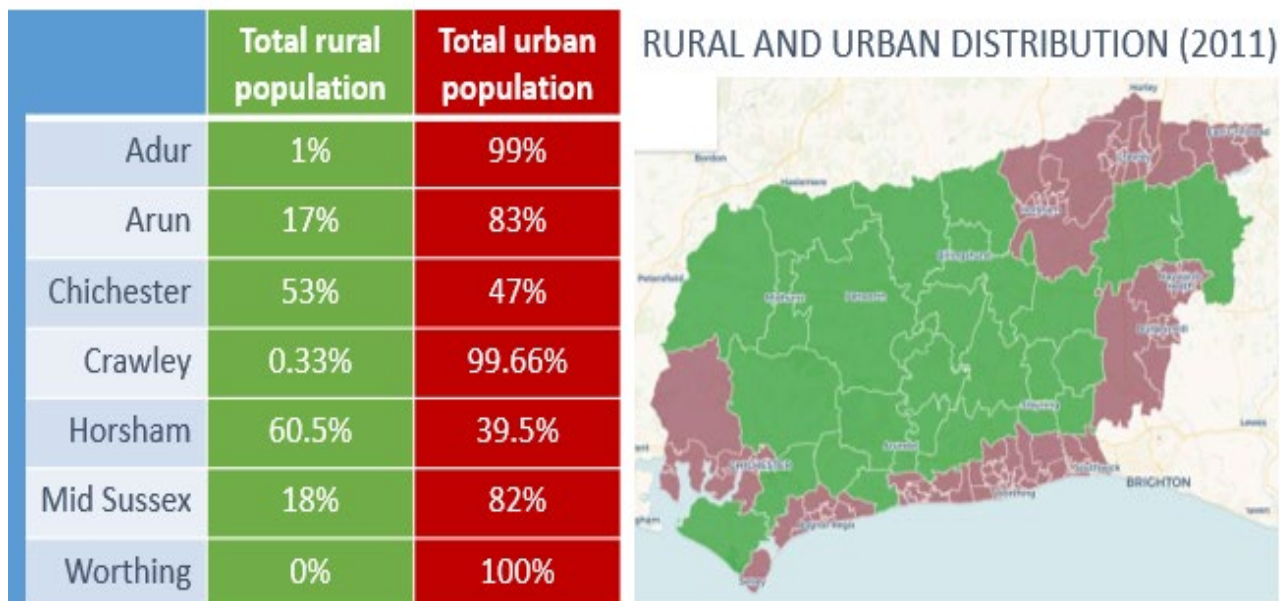
**CHART 1 – POPULATION BY AGE AND SEX (Source: ONS)**



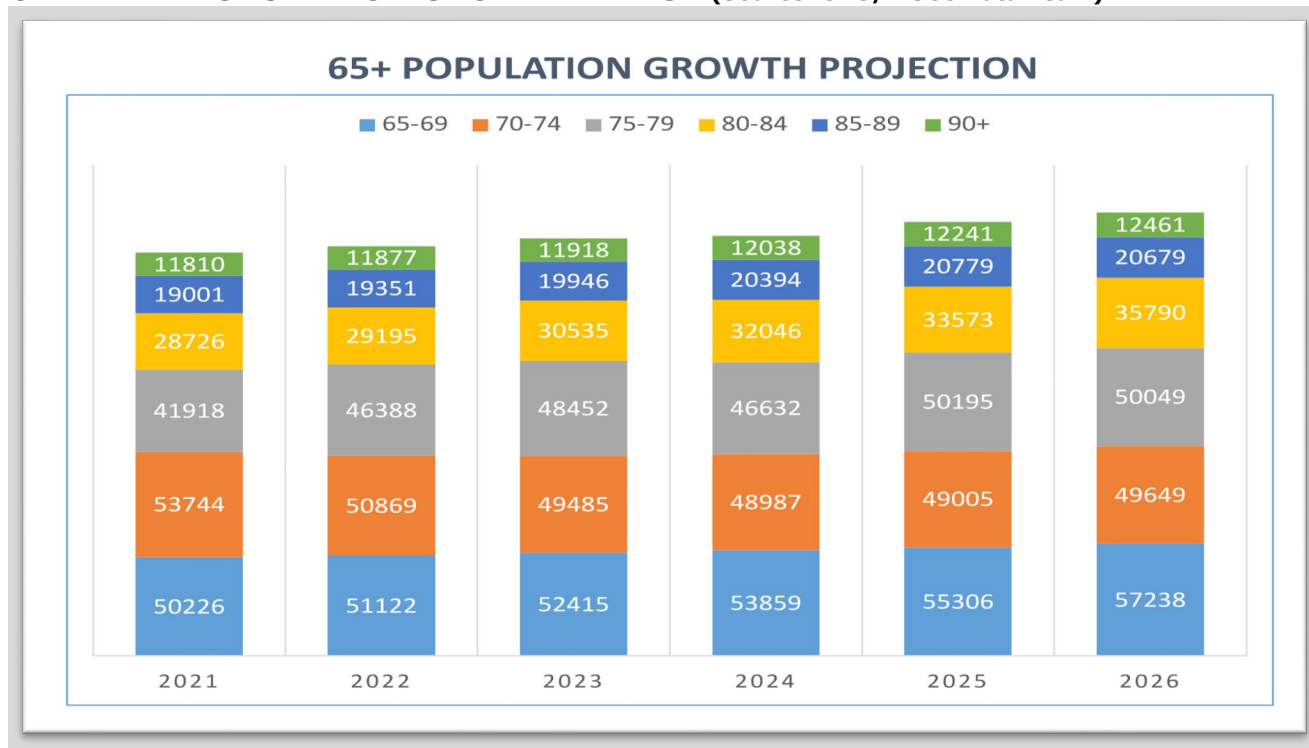
**CHART 2 – DISTRIBUTION BY AGE (2020) (Source: WSCC Data Team)**



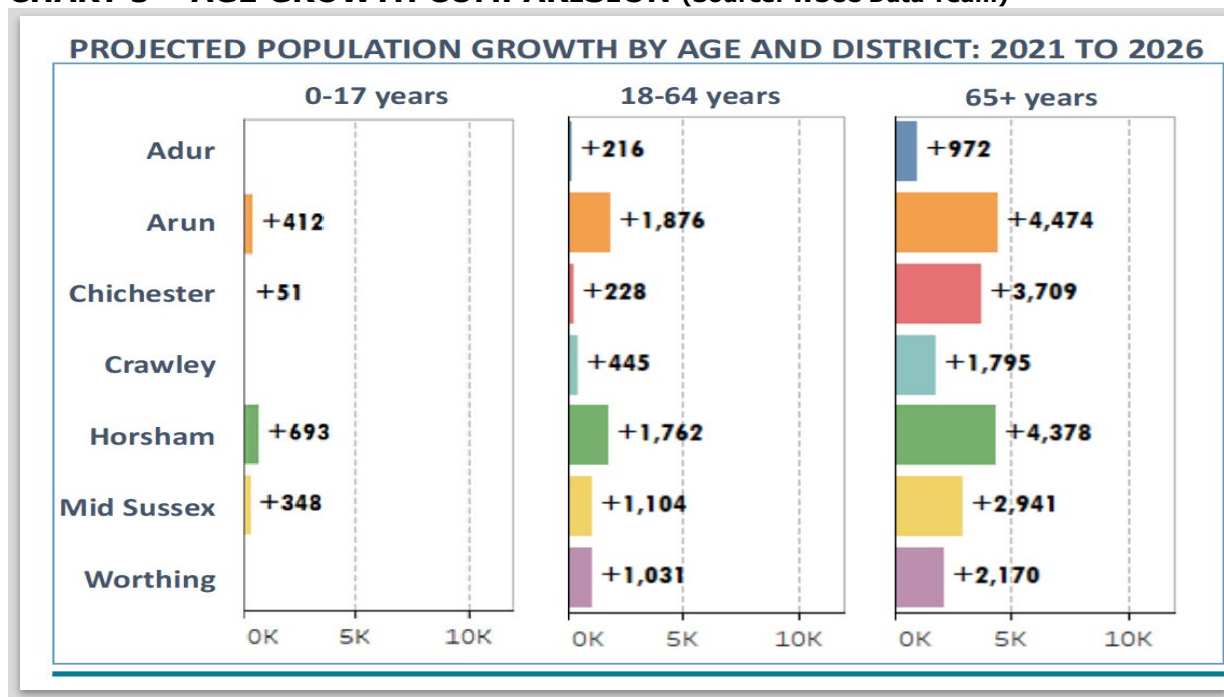
**CHART 3 – DISTRIBUTION RURAL v URBAN** (Source: WSCC Data Team)



**CHART 4 – POPULATION GROWTH BY AGE** (Source: ONS/WSCC Data Team)

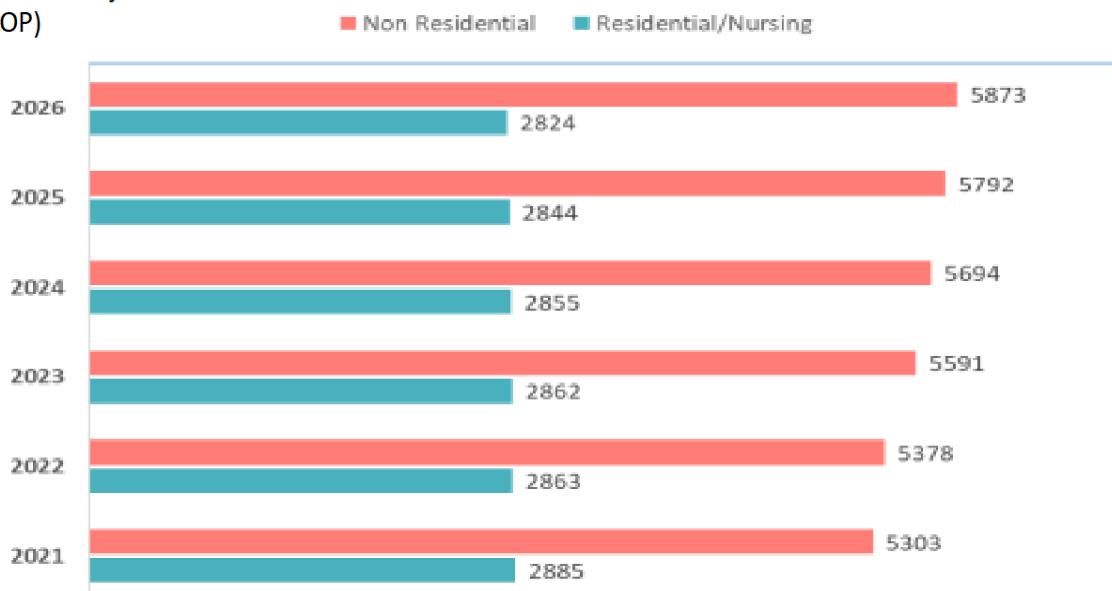


**CHART 5 – AGE GROWTH COMPARISON** (Source: WSCC Data Team)



**CHART 6 – Projected adult social care placements in West Sussex** (Source: WSCC Data Team))

All placements - Projection  
(including OP)



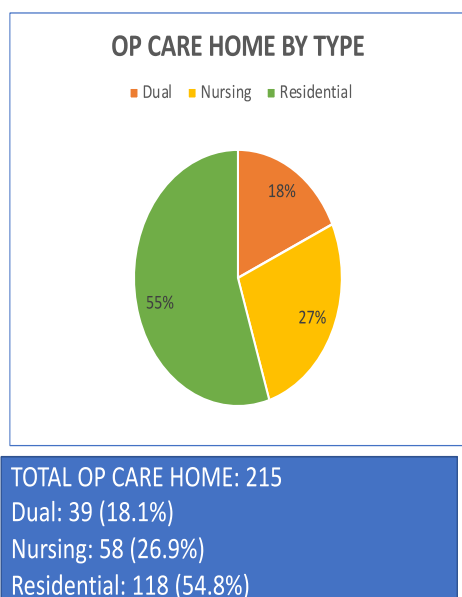


## CHART 7 – Shape of the West Sussex Care Home Market (Source: WSCC ASC data)

Profile

### OP CARE HOMES MARKET

#### OP CARE HOME BY TYPE AND DISTRICT/BOROUGH



**Table 1 – Care Home Market summary and WSCC spend**

<b>TABLE 1</b>	<b>NATIONAL Providers</b>			<b>REGIONAL Providers</b>			<b>LOCAL Providers</b>		
	LARGE	MED	SMALL	LARGE	MED	SMALL	LARGE	MED	SMALL
% of the local market (including provider provision outside WS)	6	9	0	0	6	2	0	8	69
% of local market purchased by West Sussex County Council	4.8	6.3	7.3	1.4	6.14	3.4	0	24.7	20.2
% of WSCC's spend in the local care home market	16.5	5.3	0.9	0.1	8.1	2.0	0	17.7	49.0
% of providers with at least one service with a CQC 'inadequate' rating (West S data only)	0.33			0			0.66		
% of providers with 20% or more of their services with at least one CQC 'inadequate' rating (West Sussex data only)	0			0			1.31		

KEY:

<b>National</b> in 2 or more regions <b>Regional</b> in two or more LAs in a single region <b>Local</b> in a single LA	<b>Large</b> 1000 beds+ <b>Medium</b> 61-999 beds <b>Small</b> 1-60 beds
--	--

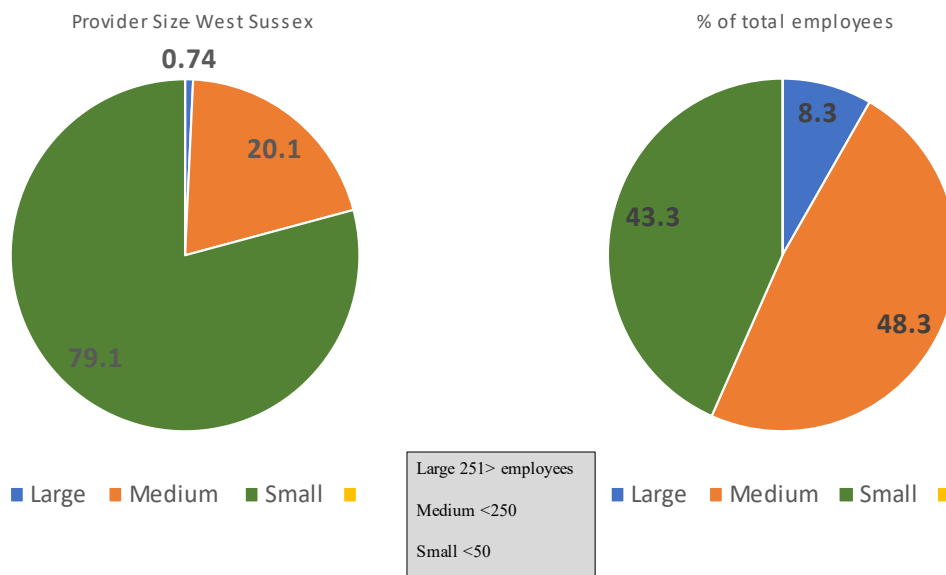
**TABLE 2 – CQC Quality Assessments in the West Sussex Care Home Market**

CQC Rating	West Sussex Homes %	England Homes %	West Sussex Resi %	England Resi %	West Sussex Nursing %	England Nursing %	West Sussex Homes	West Sussex Beds	West Sussex Beds %
Outstanding	4%	5%	2%	4%	6%	5%	10	385	4%
Good	71%	80%	79%	81%	63%	73%	163	6071	69%
Requires Imp	20%	14%	17%	14%	22%	20%	45	1887	22%
Inadequate	1%	1%	1%	1%	1%	2%	2	67	.7%
Not inspected	4%				5.6%		9	325	3%
TOTALS							229	8735	

West Sussex data WSCC 2022, England data CQC 31/7/21

**CHART 8 – Shape of the Home Care market in West Sussex**

Shape of the West Sussex home care provider market



**Table 3 – Care Home Market summary and WSCC spend**

TABLE 3	NATIONAL			REGIONAL			LOCAL		
	LARGE	MED	SMALL	LARGE	MED	SMALL	LARGE	MED	SMALL
% local market (showing scale of provider overall incl. provision outside WS)	0	6.8	4.9	0	2.9	4.9	0	15.6	64.7
% WSCC spend on home care	0	12.2	5.9	0	3.5	6.	0	45.	26.3
% providers with at least one service with a CQC 'inadequate' rating	0.33			0			0		
% providers with 20% or more of their services with at least one CQC 'inadequate' rating (West Sussex data only)	0			0			0.98		

**KEY:**

**National** in 2 or more regions

**Regional** in two or more LAs in a single region

**Local** in a single LA

**Large** 250> employees

**Medium** < 250 employees

**Small** < 50 employees

**TABLE 4 – CQC Quality Assessments in the West Sussex Home Care Market**

TABLE 4	West Sussex Home Care	West Sussex Home Care %	England Home Care %
Not inspected	1	1%	
Outstanding	7	4%	5%
Good	136	86%	83%
Requires Improvement	14	9%	14%
Inadequate	1	1%	1%
	163		

West Sussex data WSCC 2022, England data CQC 31/7/21

## Appendix 2

# Delivering the West Sussex County Council Adult Social Care Strategy (2022-25)

The priorities in our Adult Social Care Strategy, 'The Life you want to Lead', set the foundations for decision making for adult social care within the county council until 2025. It acts as a guide for prioritising areas for improvement and how we spend money. It aligns with other strategies such as the Carers Strategy and programmes, such as the Changing Futures Programme, and will inform future iterations of joint health and social care priorities in West Sussex.

The ASC Strategy covers five main areas:

### **Building Relationships and Connections**

Recognising the importance of three key different types of relationships: Close personal relationships with family and friends; relationships between people & paid support and community connections.

### **Empowerment**

Putting the emphasis on enabling and supporting people to be equal partners in, and where possible lead on, decisions about what happens in their lives and to maximise their independence and ability to lead a fulfilling life.

### **Home**

Supporting people to be in their own homes and where independent living is not possible, in places that feel like home recognising that having good connections to other people such as family, friends and neighbours is important.

### **Addressing Gaps**

Highlighting four key gaps to be addressed: the shortage of care workers; the gaps in understanding and support for people with autism or who have an acquired brain injury; moving from children's to adults' services (transitions); and paying for care.

### **Inclusion and Tackling Inequalities**

Promoting inclusion for people facing multiple disadvantage; understanding and responsiveness to diversity and tackling inequalities; and promoting digital inclusion and making the best use of assistive technologies.

## Commissioning commitments

In light of the adult social care strategy, we want to continue to develop a strong community of voluntary and statutory services and effective partnerships with private businesses in Sussex, building their capacity and growing the market to provide services that respond flexibly to meet the needs of local residents.

This involves the following commitments:

- Ensuring that local commissioning priorities are based on a comprehensive picture of the needs of Sussex residents
- A consultative approach, involving potential providers especially voluntary and community organisations based in Sussex
- Co-produced to ensure they are reflective of service user needs (where this allows)
- Investing in the capacity of the Sussex provider base, particularly those working in areas of significant need (where appropriate)
- Ensuring that funding decisions are accountable, transparent, and well-informed.
- Making the best use of resources by jointly commissioning with partner agencies where appropriate and building on evidence of good practice.
- Using performance management systems that monitor and improve outcomes and challenge poor performance
- Conducting commissioning in a legal, transparent, fair and proportionate way that encourages and facilitates the involvement of a diverse range of providers

WSCC will enter into contractual arrangements with providers following market testing, identification of an agreed service specification to meet a need within the Adult Social Care Strategy and where other methods are not appropriate.

Contracts can vary in length, value and will depend on a variety of procurement frameworks as a result. This method provides the council with the ability to ensure services that are provided are the most effective and the most competitive; however, they take longer to establish and require significant input to ensure maximum benefit. Contracts will be used proportionately, within legislation and contract value, and explore all alternative procurement options where possible.

The council also has a range of directly provided services. Future commissioning of adult social care services will continue to explore the ability of the market to deliver, alongside an exploration of direct provision.

The Council has policies, process, systems and people to meet the requirements, support decisions and ensure money is spent in accordance with legislation. These include Contract Standing Orders procedures that govern all expenditure for the supply of goods, works or services.

### **Co-commissioning**

West Sussex County Council is committed to working in partnership with other statutory agencies, such as the NHS and other local authorities, the police as well as the Voluntary, Community and Social Enterprise (VCSE) sector to provide the best possible services to residents in Sussex.

Co-commissioning is where two or more commissioners come together to commission services. This combined approach has shown better outcomes for services with higher quality provision and a more holistic delivery, overall providing more value for money. Where appropriate West Sussex County Council will seek to support co-commissioned services and develop effective collaborative arrangements that are properly scrutinised and held to account.

## Appendix 3 - Data Sources

### National/External

- CQC West Sussex Local Authority Area Profile – Older people’s pathway – March 2020
  - Quality ratings comparison
  - Residential and nursing care beds per LA population
  - ASC costs etc
- CQC database – information on provider numbers /various
- Carehome.co.uk – national data on home care providers
- Cordis Bright Market Sustainability Guidance, Project Report and Toolkit (DHSC guidance for MSP and Cost of Care 2022)
- DHSC - People at the heart of care White Paper – December 21 and associated guidance on market sustainability plans and cost of care
- English Longitudinal Study of Ageing (ELSA) – data on self-funders
- Home Care Association – An Overview of the UK Homecare Market – Dec 2020
- IPC – Review of older people’s home care market in England
- National Audit Office - Adult Social Care Market 2021
- ONS – including data on self-funders in care homes March 21 – Feb 22 (with data extracted from CQC PIR returns)
- PSSRU - Home Care Market Dynamics in England – Sept 21
- Policy Exchange - 21<sup>st</sup> Century Care – What’s wrong with social care and how we can fix it – 2019
- Skills for Care – Adult social care sector and workforce in the Southeast 2021
- Skills for Care website data on workforce – particularly recruitment and retention, workforce pay and qualifications etc
- Demand comparison with CIPFA neighbours – derived from SALT 20/21
- East Sussex Home Care Front Line Worker Feedback 2021

### WSCC

- Adult Social Care Strategy 2022-25
- West Sussex Council Plan 21-25
- West Sussex Local Account – Working Together – 2020/21
- JSNA
- Cabinet reports
- Provider fees uplift 22/23
- Budget 22/23
- West Sussex Recruitment and Retention Survey 2016
- Commissioning data from provider database
- Staff and provider MSP workshops/analysis sessions

### WSPIC

- Report for West Sussex MPs on social care – Dec 21
- West Sussex Care Providers’ Summary Paper for MPs – Dec 21

## Appendix 4 – Engagement with providers on market sustainability

In developing the Market Sustainability Plan, WSCC engaged with providers between May 2022 and March 2023 including the following:

- 5 provider forums to brief on the cost of care exercise and MSP, raise greater awareness and encourage participation (June 9/16/20 Aug 9, Sept 26)
- 4 virtual sessions for providers with presentations and discussion on the cost of care exercise and MSP in order to increase awareness and understanding of the cost of care tools, encourage participation and answer questions
- 4 virtual workshop discussions with providers on issues affecting market sustainability in order to jointly identify and analyse the key local issues and actions required to address them
- 3 analysis sessions with providers looking at specific issues identified at the workshops in order to have the opportunity for a deeper understanding of the issues from both council and provider perspectives
- 9 meetings with the West Sussex Partners in Care (May 27, June 13/27, July 11/22/25, Aug 22, Sept 1/22) including co-production of the Market Sustainability Plan
- WSCC managed a specific 'cost of care' mailbox and responded to 100s of queries which were managed between WSCC and LB
- WSCC produced weekly briefings for providers during the cost of care exercise with information, links and contacts whilst exercise was running in July and August 2022.

With the interim plan completed in October 2022, WSCC engaged with providers in order to produce the final Market Sustainability Plan submitted to DHSC in March 2023. This involved:

- Further meetings with WSPIC to co-produce the final plan
- Two workshops with providers in January 2023
- A recruitment and retention task and finish group between January and March 2023 in order to develop opportunities to tackle challenging retention rates in the sector
- A recruitment and retention workshop with providers to help inform the above process